



United States
Department of
Agriculture

Forest
Service

Washington Office

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Route To:

Subject: Payments to States--Title II Project Approval and Funding

To: Regional Foresters

As we implement the Secure Rural Schools and Community Self-Determination Act of 2000 (Public Law 106-393) several questions have arisen regarding projects authorized under Title II of the Act. Specifically, some regions have requested clarification of approval authorities for Title II projects. Additional direction on use and management of Title II funds is also addressed.

The Act (Sec 204(a)) specifies: "the Secretary concerned may make a decision to approve a project submitted by a resource advisory committee (RAC)...." This provision raises the issue of whether a delegation of authority to the Forest Service for Title II project approval is necessary or whether such delegation already exists. After consultation with the Office of the General Counsel and the Under Secretary for Natural Resources and Environment, it has been determined that no new delegations of authority are necessary. The projects to be implemented under Title II are indistinguishable from agency projects currently approved at the forest and/or regional level. The fact that funding for Title II projects comes from a new source does not alter the existing decision authorities.

The use of Title II funds for expenses associated with advisory committee administration has been addressed in informal correspondence with regional coordinators of the Act; however, it warrants repeating here. Our position is that direct costs of RAC management may be covered by Title II funds as a necessary expense of administering the RAC, but only with the agreement of the RAC. Appropriate expenses might include travel and per diem of RAC members, meeting room rentals, facilitation, and materials. Salaries of agency employees for RAC administration should generally not be reimbursed from Title II funds. A possible exception might be the case where a Forest Service employee is essentially "contracted" for meeting facilitation. Again, this would require RAC concurrence.

Section 204(b)(1) states that the Secretary may request the RAC submitting a proposed project to agree to the use of project funds to pay for "environmental review, consultation, or compliance with applicable environmental laws required in connection with the project." This authority would include payment for work by agency personnel. Section 204(b)(1) states that if the RAC does not agree to the expenditure of funds for these purposes, "the project shall be deemed withdrawn from further consideration . . . such a withdrawal shall be deemed to be a rejection of the project...."

Further, Section 206 calls for an agreement with the RAC on uses of Title II funds during project implementation addressing "the total cost of the project, including the level of agency overhead to be assessed against the project." Forests will be expected to negotiate an indirect cost rate with each RAC to be applied to all projects on an annual basis. This should be a single rate that will be applicable for an entire fiscal year.



Units should establish an efficient accounting structure to track costs. It is not necessary to assign individual job codes on a project specific basis. At a minimum, units should establish a single job code covering expenditures on a unit/RAC basis. In other words there should be at least one job code covering all project costs at the RAC or forest level, whichever constitutes the smaller administrative responsibility.

Importantly, not all project costs need be covered by the Title II account. The Act specifies: "the Secretary concerned may decide . . . to cover the costs of a portion of an approved project using Federal funds appropriated or otherwise available to the Secretary for the same purposes as the project." This will allow us to work collaboratively with the RACs and other potential partners in leveraging funds to meet resource objectives.

I want to take this opportunity to thank you and your staffs for the excellent job you have done in working with your affected communities in implementing this important legislation. In forwarding this letter, please also pass along my gratitude to your Forest Supervisors.

For additional information on implementation of Public Law 106-393, contact Tom Quinn of the Washington Office Policy Analysis staff at 202-205-0846 or via e-mail (tquinn01@fs.fed.us).

/s/ Sally Collins for
DALE N. BOSWORTH
Chief

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